



## **Bonding Requirements**

Bonding is an agreement between a bonding or insurance company and an entity whereby the insurance or bonding company guarantees payment of a specified dollar amount as damages, in the event covered employees cause financial loss to the entity. Bonding requirements ensure that the DWD is indemnified against financial losses caused by officers and employees who hold fiduciary positions with Subrecipients.

All Subrecipient personnel or their subrecipients who have access to or control funds received from the DWD and/or deposit DWD funds must be bonded to provide protection against losses. In addition, individuals who may handle mail or assist in the preparation or distribution of checks or any financial documents must also be covered by the bond. The following guidelines must be followed;

1. Subrecipients or their subrecipients with DWD grants of less than \$500,000 must carry a minimum of \$50,000.
2. Subrecipients or their subrecipients with DWD grants of \$500,000 or more must carry a minimum of \$100,000.
3. The Subrecipients or their subrecipients must be the insured entity and the DWD must be the assigned certificate holder.
4. The Subrecipients must submit a copy of the bond certificate to the DWD Financial Management Unit within 30 calendar days of the commencement date of the applicable grant award. Disciplinary action will be instituted against Subrecipients for who fail comply with this directive.



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For additional information about Missouri Division of Workforce Development services, contact a Missouri Job Center near you. Locations and additional information are available at [jobs.mo.gov](http://jobs.mo.gov) or 1-888-728-JOBS (5627).



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